

## Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

L-03 H-03 PA-03 PRS-01 USIA-15 DRC-01 /174 W

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R 111844Z OCT 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4707

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

TREASURY DEPT WASHDC

UNCLAS LONDON 11798

DEPARTMENT FOR FRB

E.O. 11652:N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE IN SEPTEMBER

BEGIN SUMMARY: IN SEPTEMBER, THE UK RECORDED A VISIBLE  
TRADE DEFICIT OF 178 MILLION POUNDS (S.A.) WITH RECORD  
EXPORTS OF 1,061 MILLION POUNDS (F.O.B., S.A.) AND  
RECORD IMPORTS OF 1,239 MILLION POUNDS (F.O.B., S.A.).  
THE BALANCE ON SERVICES AND OTHER TRANSACTIONS IS  
ESTIMATED TO HAVE BEEN RUNNING AT A MONTHLY SURPLUS OF  
ABOUT 65 MILLION POUNDS. THE CURRENT ACCOUNT IS  
ESTIMATED TO HAVE BEEN IN DEFICIT BY 113 MILLION POUNDS.  
END SUMMARY

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1. IN SEPTEMBER, THE UK HAD A VISIBLE TRADE DEFICIT OF

178 MILLION POUNDS (S.A., F.O.B., B/P BASIS), COMPARED WITH A VISIBLE TRADE DEFICIT OF 193 MILLION POUNDS (REVISED) IN AUGUST AND A DEFICIT OF 158 MILLION POUNDS IN JULY. IN THE THIRD QUARTER, THE AVERAGE MONTHLY DEFICIT ON VISIBLE TRADE WAS 176 MILLION POUNDS A MONTH COMPARED TO 132 MILLION POUNDS A MONTH IN THE SECOND QUARTER. THE TERMS OF TRADE HAVE CONTINUED TO WORSEN; BETWEEN JUNE-AUGUST AND APRIL-JUNE (THE LATEST PERIOD FOR WHICH INFORMATION IS AVAILABLE) THE TERMS OF TRADE INDEX FELL BY 4 PERCENT, THE IMPORT UNIT VALUE INDEX INCREASING BY NEARLY 8 PERCENT AND THE EXPORT UNIT VALUE BY OVER 3 PERCENT.

2. THE VALUE OF UK EXPORTS IN SEPTEMBER WAS A RECORD 1,061 MILLION POUNDS (S.A., F.O.B., B/P BASIS) UP FROM 1,013 MILLION POUNDS IN AUGUST (REVISED), AND 982 MILLION POUNDS IN JULY. IN THE THIRD QUARTER, EXPORTS AVERAGED 1,019 MILLION POUNDS A MONTH, 9 PERCENT HIGHER THAN IN THE SECOND QUARTER. BETWEEN THE TWO QUARTERS, DELIVERIES TO WESTERN EUROPE INCREASED BY 10 PERCENT, TO THE EC BY 11 PERCENT AND TO THE STERLING AREA OUTSIDE EUROPE BY 4 PERCENT. EXPORTS TO NORTH AMERICA FELL BY 3 PERCENT WHILE THOSE TO THE REST OF THE WORLD IN AGGREGATE ROSE BY 11 PERCENT.

3. THE VALUE OF UK IMPORTS IN SEPTEMBER WAS A RECORD 1,239 MILLION POUNDS (S.A., F.O.B., B/P BASIS), UP FROM 1,206 MILLION POUNDS (REVISED) IN AUGUST AND 1,140 MILLION POUNDS IN JULY. IN THE THIRD QUARTER, IMPORTS AVERAGED 1,195 MILLION POUNDS A MONTH, 12 PERCENT HIGHER THAN IN THE SECOND QUARTER. THE VALUE OF IMPORTS FROM WESTERN EUROPE WAS UP 15 PERCENT, FROM THE EC BY 13 PERCENT, FROM NORTH AMERICA BY 4 PERCENT, AND FROM THE STERLING AREA OUTSIDE EUROPE BY 2 PERCENT WHEN THE SECOND AND THIRD QUARTERS ARE COMPARED.

4. THE SURPLUS ON INVISIBLES RAN AN ESTIMATED 65 MILLION POUNDS. THE ESTIMATED CURRENT ACCOUNT DEFICIT FOR SEPTEMBER IS THUS PUT AT 113 MILLION POUNDS COMPARED TO A DEFICIT OF 128 MILLION POUNDS (REVISED) IN AUGUST.

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5. THE TOTALS FOR THE VISIBLE TRADE ACCOUNT FOR THE FIRST NINE MONTHS OF 1973 COMPARED TO THE FIRST NINE MONTHS OF 1972 ARE AS FOLLOWS:

	EXPORTS	IMPORTS	BALANCE
1972	6,532	7,020	-488
1973	8,500	9,790	-1,290

NOTE: FIGURES HAVE BEEN REVISED, ALL FIGURES ARE F.O.B.,

S.A., B/P BASIS IN MILLIONS OF POUNDS. THE BALANCE FOR  
THE FIRST EIGHT MONTHS OF 1972 SHOULD HAVE READ -355  
NOT REPEAT NOT -335.

ANNENBERG

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 11 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
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30 JUN 2005

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**Subject:** UK TRADE IN SEPTEMBER  
**TAGS:** EFIN, UK  
**To:** SECSTATE WASHDC BONN PARIS ROME TOKYO EC BRUSSELS OECD PARIS WASHDC  
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